

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking on the Commission's own motion to improve distribution level interconnection rules and regulations for certain classes of electric generators and electric storage resources.

Rulemaking 11-09-011
(Filed September 22, 2011)

**THE OFFICE OF RATEPAYER ADVOCATES' REPLY COMMENTS
ON ALTERNATE PROPOSED DECISION GRANTING JOINT
MOTIONS TO APPROVE PROPOSED REVISIONS TO ELECTRIC
TARIFF RULE 21, AND PROVIDING SMART INVERTER
DEVELOPMENT A PATHWAY FORWARD FOR PACIFIC GAS AND
ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON
COMPANY, SAN DIEGO GAS & ELECTRIC COMPANY**

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I. INTRODUCTION

Pursuant to Rule 14.3(d) of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), the Office of Ratepayer Advocates (ORA) submits its reply comments on the Alternate Proposed Decision (APD) of Commissioner Sandoval, dated May 6, 2016. ORA maintains support for the Proposed Decision (PD) as revised per ORA's recommendations provided as Attachment A to ORA's Opening Comments on the PD. In regards to the APD, ORA requests clarification regarding what information the utilities are required to include in conjunction with the memorandum account proposed in the APD. If the APD is adopted, ORA recommends that in order for the Commission to do a reasonableness review of cost overruns, utilities should be required to provide a technical report, which contains comprehensive and detailed information of cost overruns outside the 25% cost envelope for each interconnection, filed as an appendix to the memorandum account. As noted in the APD, Ordering Paragraph 8, if the APD is adopted, Energy Division should host a workshop within 120 days and ORA recommends the workshop focus on the data reporting requirements for ORA's proposed technical report.

II. DISCUSSION

In opening comments on the APD, ORA identified concerns regarding the use of a memorandum account to record the drivers for any differences between interconnection cost estimates and actual cost, and reasons why the recorded costs are outside the 25% bandwidth. ORA recommends that if the Commission adopts the APD, it require each utility to file an application, which details the interconnection cost overrun memorandum account on a project by project basis. This level of granularity is necessary to do a reasonableness review. As stated in the APD¹:

Using line-item accounting, interconnection cost overruns will be knowable and sharable. This type of accounting methodology used to describe cost driver information will assist the reasonably knowledgeable accountant. Component pieces, labor, expenses for upgrading different elements of

¹ See APD, pp. 33-34

the grid, all of these numbers are knowable, countable, recordable, and sharable. Any submission of cost overruns should identify where costs accrued, when, and how the utility attempted to mitigate the situation.

The APD discusses the use of a traditional line item accounting format for the memorandum account, but does not define with sufficient specificity what or how the submission of cost overruns will identify costs overruns, describe the reasons for these overruns, and whether the utility attempted to mitigate these cost overruns. This concern is shared by the utilities as well. In jointly filed opening comments, the utilities stated “the APD should identify the material that a utility should present to document the reasonableness of an estimate outside of the 25% range.”²

If the Commission decides to adopt the APD and use a memorandum account to track and record these cost overruns, ORA recommends:

- ◆ The Commission require utilities to provide a technical report, which includes comprehensive and detailed information for each interconnection, filed as an appendix to the memorandum account.
- ◆ As discussed in the APD, ORA also recommends Energy Division host a workshop, within 120 days of adoption of the APD, to allow parties to discuss what information the utilities should be required to include in ORA’s recommended technical report.

III. CONCLUSION

ORA maintains support for the PD as revised with ORA’s recommendations provided in Attachment A to ORA’s Opening Comments to the PD. However, if the Commission adopts the APD, for the foregoing reasons, ORA recommends the Commission adopt ORA’s recommended APD revisions.

² Joint Opening Comments of Southern California Edison Company (U 338-E), San Diego Gas & Electric Company (U 902-E), And Pacific Gas and Electric Company (U 39-E) on Alternate Decision Instituting Cost Certainty, Granting Join Motions To Approve Proposed Revisions to Electric Tariff Rule 21, And Providing Smart Inverter Development a Pathway Forward, , p. 8.

Respectfully submitted,

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